Board of Directors Policy

THUNDER BAY COUNSELLING
SOLUTIONS THAT CHANGE LIVES

Policy Type: Executive Limitations

Policy #: EL4

Policy Name: Financial Condition

Creation Date: December 3, 1993

Effective Date: February 14, 2022

Monitoring: September, November, February, June

With respect to the actual, ongoing condition of the organization's financial health, the CEO may not cause or allow the development of fiscal jeopardy or loss of allocation integrity.

Accordingly, the CEO may not:

1. Indebt the organization in an amount greater than can be repaid by certain, otherwise unencumbered revenues within 90 days.

2. Use any restricted reserves.

3. Conduct inter-fund shifting in amounts greater than can be restored to a condition of discrete fund balances by certain, unencumbered revenue within 90 days.

4. Allow cash to drop below the amount needed to settle payroll and debts in a timely manner.

5. Allow actual allocations to deviate materially from the Board priorities in Ends Statement.

6. Fail to report variances in budgeted and actual revenues and expenditures where the quarterly variance exceeds $5,000 or where the actual or forecasted year-end variance is greater than 10%.

7. Maintain no less than three separate bank accounts; a general operating account, an interest-bearing account for funds held in restricted reserve, and an account for monies that are payable to the midwifery practices.

   Transactions under five thousand dollars ($5,000) require the signature of a) the CEO and the Director of Business and Finance, or b) the CEO or the Director of Business and Finance together with the signature of a Director of Programs and Services.

   Transactions over five thousand dollars ($5,000) require the signature of a) the CEO and the Director of Business and Finance, or b) the CEO or the Director of Business and Finance together with the signature of a Board Member who is a signing officer of the organization.